

THE HENDRICKSON COMPANY

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To: Housing Finance Authority of Leon County Board of Directors
From: Mark Hendrickson, Administrator
Subject: December 10, 2020 HFA of Leon County Board Meeting
Date: December 2, 2020

I. Audit Update—Action

1. The Auditor will deliver a draft audit to the Audit Committee, who will report to the Board.
2. **Recommendation:** To be determined by Audit Committee. If recommended by the Audit Committee, the action would be for the Board accept the Audit Committee recommendation that the Board give approval to the draft audit of the HFA as presented by Ms. Nichols, subject to the approval being revisited if the Group Auditor (County auditor) recommends any substantive changes.

II. Financial Reports and Budget—Action

1. The November 2020 Financial Statement is attached. Net assets as of November 30, 2020 are \$1,374,591.17, with \$971,405.13 in cash (\$284,938.16 restricted for housing programs and \$25,000 offset by liability—good faith deposit).
2. All Emergency Repair and CDBG expenditures are booked against the restricted assets from the property sales (they meet the test as direct housing expenditures). As of November 2:
 - ✓ Total revenues from property sales: \$419,181.16
 - ✓ Emergency Repair expenditures since August 2016: \$170,080
 - ✓ CDBG rehab: \$12,163
 - ✓ Remaining Restricted Funds: \$236,938.16
3. An Expenditure Approval list and bank/SBA statements are attached.
4. In November, the HFA received \$4,506.98 as the participation fee in the Escambia single family program and \$10,945.48 in DPA repayments (FHFC funded DPA loans in Leon County—not income, but transfer from receivable to cash).
5. **Recommendations:** None

III. Bond and Local Government Contribution Applications—Action

1. The HFA published a NOFA for bond applications for developments that would also seek SAIL funding from FHFC. The NOFA is “open”, meaning applications are on a “first-come

first-evaluated” basis.

2. **Magnolia Senior** and **Magnolia Family II** were induced and are scheduled for TEFRA approval on December 9. Both applied for SAIL funding from FHFC.
3. **Magnolia Family I** is moving through credit underwriting with an anticipated closing in Summer of 2021. That is after the TEFRA approval expires
4. **Recommendations: Magnolia Family I:** Authorize new TEFRA hearing and submission to BOCC for approval.

Name	Magnolia Family	Magnolia Senior	Magnolia Family II
Owner Entity*	Country Club Magnolia Family, LP	Country Club Magnolia Senior, LP	Country Club Magnolia Family II, LP
Developer/Location	New Affordable Housing Partners, LLC. Atlanta, Georgia Tallahassee Housing Economic Corporation, Tallahassee, FL	Columbia Residential Atlanta, Georgia Tallahassee Housing Authority Tallahassee, FL	Columbia Residential Atlanta, Georgia Tallahassee Housing Authority Tallahassee, FL
Street Address	Canton Circle, 150' SW of the intersection of Canton Circle & Country Club Drive	Sebring Ct., NE of intersection of Sebring & Country Club Drive	Country Club Dr., SW of intersection of Country Club & Putnam Drive
Type	New Construction	New Construction Garden	New Construction
Demographic	Family	Elderly	Family
County Commission District	District 1, Bill Proctor	District 1, Bill Proctor	District 1, Bill Proctor
Units	130	110	160
Bedrooms	252	125	320
# of Buildings	5 residential buildings	1 residential building	6 residential buildings
# of Stories	3	3 with elevator	3
Credit Underwriter	Seltzer Management	Seltzer Management	Seltzer Management
Estimated Closing Date	May 2021	November 2021	November 2021
Bond Request Permanent Loan Bond Amount	\$15,000,000 or \$115,385/unit \$7,000,000	\$13,500,000 or \$122,727/unit \$6,500,000	\$17,000,000 or \$106,250/unit \$11,500,000
SAIL & ELI Funding	\$6,211,577	\$6,600,000	\$6,600,000
Housing Credit Investor Housing Credits	TBD \$9,376,537	TBD \$8,266,414	TBD \$11,352,521
City Funding	\$1,650,000	\$2,000,000	\$2,000,000
TEFRA Approval	4-28-20	TBD	TBD
Total Cost	\$24,826,109	\$24,693,561	\$32,617,000
Total Cost Per Unit	\$190,971	\$224,487	\$203,856
Land Cost	\$0—Ground Lease from Tallahassee Housing Authority \$0//unit	\$0—Ground Lease from Tallahassee Housing Authority	\$0—Ground Lease from Tallahassee Housing Authority
Acquisition of Building Cost	NA	NA	NA
Hard Construction Cost	\$16,314,670 \$125,497/unit	\$16,630,000 \$151,182/unit	\$23,100,000 \$144,375/unit
General Contractor	TBD	TBD	TBD
Credit Enhancement	TBD	TBD	TBD
Set-Aside Period	50 years	50 years	50 years
Set-Aside Levels	10.0% (13 units) <33% AMI for 15 years, then 60% AMI 90.0% (117 units) <60% AMI	10.0% (11 units) <33% AMI for 15 years, then 60% AMI 90.0% (99 units) <60% AMI	10.0% (16 units) <33% AMI 70.0% (112 units) <60% AMI 20% (32 units) market rate

IV. Emergency Repair Program—Informational

1. The HFA authorized an emergency repair program, for minor repairs that need immediate attention—and are not covered by the County’s SHIP Program. A total of \$50,000 has been paid to the County for FY 20-21. Individual repairs are limited to \$1,650 per home (\$7,500 for senior or persons with special needs that reside in mobile homes).
2. Of the \$53,000 FY 19-20 allocation, \$36,259 was spent. The balance of \$16,741 was carried forward to this FY, making total funds available FY 20-21 \$66,741. Of that, \$17,078.78 is encumbered (four cases).
3. **Recommendation:** None.

V. Real Estate—Informational

1. The Real Estate Division is responsible for selling surplus properties designated for affordable housing, with proceeds of the sale coming to the HFA. Since October, there have been thirteen sales with net proceeds due to the HFA of \$51,539.15—checks not yet received.
2. Sales of seven properties by the Real Estate Division generated total revenues to the HFA of \$107,102. As of October 2, 2020, sales of 51 properties by Ketcham Realty have generated \$312,079.16 paid to the HFA. The total is \$419,181.16, not including any of the past thirteen sales.
3. County real estate reports four additional properties under contract.
4. A spreadsheet is attached.
5. **Recommendation:** None.

VI. Legal Update—Action

1. HFA Counsel will report on their activities. Counsel recommends that action defending HFA’s position in DPA foreclosure cases be discontinued due to cost-benefit analysis.
2. **Recommendation:** Direct counsel to discontinue action on DPA foreclosures.

VII. To-Do List—Informational

To-Do Item	HFA	Admin	County	NGN	Status	Completed
Meeting Date						
November 12, 2020						
HFA Counsel to make recommendation on DPA foreclosure cases				X		
Meeting Date						
None						

VIII. State Legislative Update—Informational

1. The Senate and House agreed to full funding for housing—the first time in 13 years. The full funding number is \$370 million. The importance of this cannot be understated.
2. The Sadowski Education Effort (SEE) was essential to this success. We weren't the only ones in the fight, but we were the ones getting the editorials written and in constant communication with legislators focused on this issue. Florida ALHFA's incredible relationship with FHFC/Trey Price was also massively helpful this year. There was truly a coordinated effort.
3. The Governor committed \$250 million of CARES Act funding to housing—primarily for rent and mortgage relief. The Governor vetoed the \$225 million SHIP appropriation. This did not sweep the money into general revenue—it simply accumulates in the Local Government Housing Trust Fund and is available in a Special Legislative session to sweep, appropriate for SHIP, or leave.
4. SEE launched a strategy and action steps—with the goal of the legislature making the SHIP appropriation whenever a Special Session is held. There has been significant outreach to all legislators who were elected this year. However, it appears that a Special Session is uncertain—so the strategy may pivot to a focus on full funding in the 2021 Regular Session.
5. The legislator one-pagers are available under the Advocacy tab at www.sadowskicoalition.com. These show the impact by County of losing the \$225 million SHIP appropriation.
6. Representative Killebrew (R-Polk County) introduced HB 13, which would prohibit transferring monies in the Housing Trust Funds to General Revenue or the Budget Stabilization Fund. SEE is working to identify a Senate sponsor. This is significant because we have a Republican prime sponsor in the House.
7. **Recommendations:** None.

IX. 2021 Calendar—Action

1. The Board has traditionally met at Noon on the 2nd Thursday of each month except July.
2. The draft calendar keeps that schedule except for May and June. In May, the 2nd Thursday conflicts with the NALHFA Conference, and for June, the 2nd Thursday is only three weeks after the May meeting. For those two months, the meeting is scheduled for the 3rd Thursday.
3. **Recommendation:** Approve 2021 HFA of Leon County Meeting Calendar.

X. HFA FY 2019-2020 Annual Report

1. The HFA is required to submit an annual report to the BOCC. A draft was circulated in November.
2. To date, no comments have been received. Once approved, the report will be sent to a graphics person for layout.
3. **Recommendation:** Approve draft HFA FY 2019-2020 Annual Report and direct staff to submit to County Administrator and BOCC.

XI. Annual Election of Officers—Action

1. The HFA's bylaws call for the annual election of officers at any regularly scheduled meeting. The bylaws call for this to be the last item on the agenda. The Chair is limited to two consecutive terms—therefore, Ms. George is eligible for re-election to the Chair.
2. The term of the officers will be calendar year 2021. In addition to the Chair, the other officers are Vice-Chair (Mr. Rogers), Secretary (Dr. Sharkey) and Treasurer (Mr. Gay).
3. **Recommendation:** Elect officers.